

Exhibit 3

Undated letter from Michael Malalesta,
IRS Appeals Team Manager

Internal Revenue Service
Appeals Office
701 Market Street
Suite 2200
Philadelphia, PA 19106

Date:

J J POWELL INC
PO BOX 30
PHILIPSBURG PA 16866-0030

Department of the Treasury

Person to Contact:
ROBERT HAMMOND
Employee ID Number: 0212911
Tel: (215) 861-0810
Fax: (215) 861-1498

Refer Reply to:
AP:FE:PA:PHI:RH

In Re:

Excise

Form Number:
8849

Amount of Claim:
\$121,456.00

Tax Period(s) Ended:
2009/09 2009/12 2010/03 2010/06
2010/09 2010/12

Gentlemen:

We have considered your protest and the evidence and arguments in support of your position against the assessments as proposed by the Examination Division.

We are closing your case based on the determination that you were not entitled to the claims you received for the periods indicated above. Accordingly, assessments for such as well as the penalty proposed under IRC § 6675 will be assessed.

If you would like to challenge our determination in court, you may file a complaint in the United States District Court or the United States or the United States Court of Federal Claims. If you decide to do this, you must first pay the amount owed and file a claim for refund of the tax. Once the claim for refund is denied or 6 months elapse without any action by the Service, you may initiate suit.

If you have any questions, please contact the person whose name and telephone number are shown above.

Thank you.

Sincerely,

Michael G. Malatesta
Appeals Team Manager

cc: Cloyd F Van Hook